



Featured National News

Advocacy group asks for details of \$1B sale to Indigenous consortium in the North

By Sara Connors

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A public interest group is calling on Bell Media to release financial information regarding its intent to sell telecommunications provider Northwestel to Sixty North Unity (SNU), a consortium of Indigenous businesses.



In July, the Public Interest Advocacy Center (PIAC), a non-profit organization that advocates for consumers in regulated industries, submitted a request to Canadian Radio-television and Telecommunications Commission (CRTC) for Bell to disclose financial information about the proposed sale.

“There’s very little information,” said John Lawford, PIAC’s executive director and general counsel. “I think that people who are reliant on Northwestel as their only provider or their main provider of telecommunication services deserve to know the full deal so they can decide whether it’s a good thing.”

Northwestel, a Bell subsidiary, currently operates a monopoly on telecommunications in the northern territories. Northwestel customers pay a higher cost for things like home phone and internet compared to customers in the south.


The company said in a statement to *APTN News* that its prices are impacted by Northern Canada’s relative remoteness, extreme environmental conditions, low population density, and the vast distances between communities, some of which are fly-in only.

On June 11, the consortium of Indigenous development corporations from Yukon, Northwest Territories and Nunavut, announced its plans to purchase Northwestel for up to \$1 billion cash. According to a press release, the money will be used by Bell to pay off its debts.

SNU’s website states it’s owned by Yukon First Nations Telco in Yukon, Denendeh Investments Incorporated in N.W.T. and Kitikmeot Corporation in Nunavut.

Yukon First Nations Telco is a newly developed consortium of 13 Yukon First Nations development corporations. In 2022, it purchased \$10 million worth of fiber optic infrastructure from Northwestel with the intention of leasing it back to the company over the next 20 years.

According to the release, once the deal is completed, Northwestel is slated to be the largest fully Indigenous-owned telecommunications company in the world.

“Bell will maintain a strong and strategic partnership with Northwestel beyond the transaction close through ongoing operational support, and as Northwestel’s largest customer,” the release said. 

The consortium said it intends to keep Northwestel's executives and staff and plans to increase Indigenous representation in the workforce. It also plans to implement service improvements like doubling internet speed to fibre customers, expand high speed internet and invest \$4 million in the Great Slave Lake Fibre Project.

"The transaction reinforces Bell's commitment to the North by empowering local communities with control over their investment decision-making, while continuing to serve the North as the leading wireless services provider in the region," the release said.

SNU's website said it's open to discussions from other Indigenous organizations in the North interested in joining the consortium and that a number of additional Indigenous organizations and corporations are "analyzing the opportunity."



A Northwestel satellite in Whitehorse. Photo: Vincent Bonnay/APTN

Bell reluctant to share details of deal

Nearly a week after the announcement, the CRTC sent a letter to Bell and Northwestel requesting a written copy detailing information of the sale.



Under the Telecommunications Act, parties may designate certain information as confidential, provided they file a detailed explanation of why disclosing information would not be in the public interest and could cause direct harm to business dealings.

Bell, which filed an abridged response to the CRTC for the public record, said disclosing “highly sensitive” information related to the sale could provide existing or potential competitors with information not otherwise available to them, enabling them to develop “effective business strategies.”

A section of the document relating to the transfer of ownership to SNU is redacted.

“The material also contains details of Bell and Northwestel’s commercial strategies, network configuration and planning, and subscriber and financial projections,” the document states.

“No version of the Attachment is provided on the public record, as it would not provide meaningful disclosure.”



Bell Media headquarters in Toronto. Photo: File



Public advocacy group wants answers

Bell's reluctance to share information about the sale isn't sitting well with Lawford. Following Bell's decision, he wrote a request to the CRTC on behalf of PIAC asking for Bell to publicly disclose information about the sale.

"We just want to know the way the deal is structured," he said. "It's a big deal. It's essential infrastructure for everybody."

While the CRTC does not formally approve telecommunications mergers, Lawford said the PIAC wants the commission to make an exception to ensure compliance with telecommunications laws once the sale is completed.

He said Northerners should be concerned about the sale's billion dollar price tag. He also noted it's unclear where SNU will get the money to pay for the transaction.

"Bell wants to be paid \$1 billion dollars, that's the price tag that they're putting on the deal – tentatively – and that money would have to come out of operations unless there's some other source of funding to pay for the purchase. I would be concerned that gets downloaded to customers," he said.

"If you have an...internet connection, you don't want prices to go up considerably, just in order to pay back to Canada for the purchase."

Lawford also questions the timing of the deal.

The CRTC recently conducted an independent quasi-judicial hearing centred on improving telecommunications in the North. The hearing is considered ongoing until a final decision is released.

Lawford wonders if the deal will affect the CRTC's decision or possibly delay it further.

"It's all it's sort of throwing a cat in the pigeons," he said.





John Lawford, executive director and general counsel for the Public Interest Advocacy Center (PIAC), wants Bell to release financial details of the transaction. Photo: Submitted

Smaller scale competitors concerned

Smaller scale telecommunications providers also have questions about the proposed sale.

KatloTech Communications Ltd., based in Yellowknife, is one company lending its support to PIAC's request for more information. It's currently proposing construction of a 315 km fiber optic network to bring redundancy in the N.W.T.

CEO and founder Lyle Fabian, who is Dene, wrote a letter of support of PIAC's request to the CRTC. He said there was no indication that such a deal was being made.

"Bell is using their position to give a company valuation and selling price of \$1 billion for all three territories that have less than 200,000 people. Like, come on. That's a far stretch," he said. "Where are they going to get \$1 billion from? What are the breakdowns for the high valuation?"

He also questioned how Indigenous reconciliation can be achieved as Northwestel will remain top heavy with current management.

“I am indigenous, and for me, this is a full slap in the face,” he said. “If this is going to be reconciliation, then then what’s the exact ownership distribution, including the roles and responsibilities of Bell Canada, and other stakeholders?” he asked.



*KatloTech Communications Ltd. CEO and founder Lyle Fabian questions the transactions \$1 billion dollar price tag.
Photo: Submitted*

SSi Canada, which mainly provides broadband internet services to remote areas, likewise wrote a letter in support of PIAC.

Dean Proctor, SSi’s chief development officer, said he has concerns about the proposed transaction. He said SSi would like to offer services across the North but hasn’t been able to break into the market because of Northwestel’s monopoly.

He’s worried further opportunities for competition will be reduced.

“We’d like to be Northwestel’s largest customer,” he said. “We’re a competitor buying wholesale services from Northwestel. Have they done some kind of sweetheart deal over the long term that that allows Bell to get better pricing, preferential pricing?”



“If in fact, this is a deal that upon closer scrutiny is really going to benefit Bell more than anybody – and on what terms is it going to benefit Bell more than anybody – that needs to be looked at.”



Dean Proctor, SSI Canada's chief development officer, wonders if the transaction will result in reduced competition opportunities. Photo: SSI Canada

No ‘special relationship’ says Sixty North Unity

Representatives for SNU did not respond to repeated requests from *APTN* for comment, though a spokesperson for SNU shared a July 17 letter addressed to Lawford.

The letter said SNU’s commercial relationship with Bell will create a stable revenue stream for Northwestel. It also said it doesn’t have a “special relationship” with Bell that would prevent it from meeting its regulatory obligations.

The letter further noted the consortium is committed to investing in key digital infrastructure, including narrowing the gap with services available in the south.



“We are also acutely aware that consumer affordability is a top concern for Northerners. We continue to expect further improvements in affordability as existing speed tiers continue to decrease in cost as new service offerings are included,” it said.

“Northwestel has a strong history in the North, and we believe under Indigenous ownership we can enhance that legacy through targeted network, employment, and community initiatives and investments.”

Northwestel deferred comment about PIAC’s request to Bell.



Northwestel headquarters in Whitehorse. Photo: Vincent Bonnay/APTN

Bell said in a statement to *APTN* that releasing information about the deal “would be damaging to all parties.”

“This information is highly sensitive, including commercial strategies, network configuration and planning and financial projections,” a spokesperson said. “It is routine for parties and the CRTC to keep this type of information confidential.”

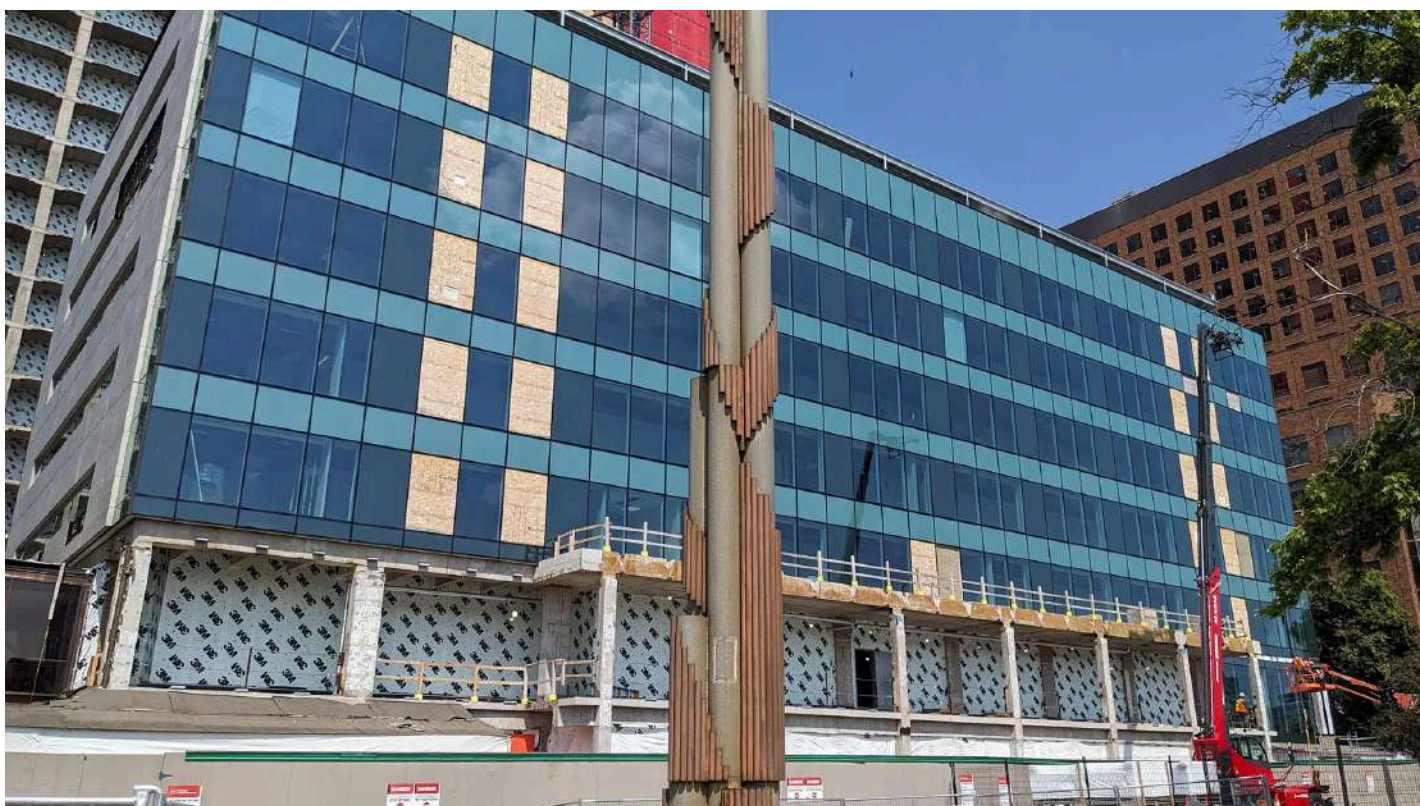


The Competition Bureau, a federal agency responsible for ensuring that markets operate in a competitive manner, said it's aware of the proposed acquisition and confirmed it would be reviewing the transaction. The bureau is mandated to review mergers to determine whether they are likely to result in a substantial lessening or prevention of competition.

“Should we determine that the proposed transaction is likely to harm competition, we will take appropriate action,” a spokesperson said. “As the Bureau is required by law to conduct its merger reviews confidentially, it would be inappropriate to comment further at this time.”

The CRTC said in a statement it generally considers whether any harm of disclosing information is outweighed by the public interest in disclosing that information.

It declined to answer if the proposed deal would impact the ongoing hearing or delay it further, stating it cannot comment on open proceedings.



The Canadian Radio-television and Telecommunications Commission (CRTC)'s headquarters in Gatineau, Quebec.

Photo: Joseph Saunders/APTN News

Bell fires back



On July 15, Bell refiled its answer to the CRTC listing document names and headings pertaining to the sale, though the information doesn't go into detail. Another portion of the answer remains redacted.

Bell said in a separate letter filed that day to the CRTC that it should again deny PIAC and its supporters' requests.

The letter states PIAC requested details of the sale under the assumption the CRTC could approve the sale. It clarifies the CRTC wanted information of the proposed sale because of the ongoing hearing.

It also denies PIAC's claims that the timing of the transaction could undermine the regulatory process or influence the hearing's decision.

"The Transaction was announced before the Commission issued a decision in the proceeding, and we have provided the Commission with all requested information about the Transaction to inform the decision," it states.

The letter further disputes that Bell is attempting to hide information.

"On the contrary, we have provided the relevant information to the Commission, and the Commission has complete and fully-transparent visibility into the arrangement between Bell and Northwestel, despite the fact that the Transaction does not require regulatory approval by the Commission," it states.

'Hopefully a good transition'

The CRTC said in a statement to *APTN* its working on PIAC's request and will make a decision as soon as it can.

A spokesperson for Northwestel said given the size and complexity of the proposed transaction, it will take several months before its completed and that updates will be provided when a closing date is finalized.

Despite the lack of information, Lawford said the proposed deal has a lot of promise.



“Hopefully it will be a good transition. But unless we get to ask questions, we can’t make it the best deal possible.”

Tags: Bell, CRTC, Indigenous consortium, Northwest Territories, Northwestel, Nunavut, Sixty North Unity, Yukon

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